

TAB

PRINCIPAL BENEFIT PROVISIONS OF CIA, FOREIGN SERVICE, AND REGULAR MILITARY RETIREMENT SYSTEMS

PROVISION	CIVIL SERVICE	FOREIGN SERVICE & PROPOSED CIA	MILITARY
1. Employee Contribution	6½% Base Pay	6½% Base Pay	None
2. Maximum Annuity	80% Base Pay	70% Base Pay	75% <u>Base Pay</u>
3. Formula for Computing Basic Annuity	Based on high-5-year average salary: 1½% of high-five times first 5 years of service, plus 1 3/4% of high-five times second 5 years of service, plus 2% of high-five average salary times remaining years of service.	Based on high-5-year average salary: 2% of base pay times number of years of service.	2½% of <u>base pay</u> at time of retirement times number of years of service.
4. Actuarial Reduction in Annuity	1% per year for age under 60 down to 55 and 2% per year for age under 55 down to 50. (Maximum of 15%)	None	None
5. Mandatory Retirement Age	Age 70 ± 15 or more years service	Career Ambassador and Career Minister or GS-18 and below: age 65 FSO Class 1 or GS-17 and below: age 60	Generally age 60

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6. Voluntary Retirement	Age 62 - 5 years service Age 60 - 30 years service Age 55 - 30 years service (with actuarial reduction)	Age 50 - 20 years service (full earned annuity - not reduced)	20 years service - no minimum age (additional refinements in age and grade retirement factors)
7. Involuntary Retirement - Discontinued Service; Selection Out	Any age - 25 years service Age 50 - 20 years service (both with actuarial reduction)	FSO Classes 1-3 or GS-14 and above: Immediate annuity at any age - 5 years service (annuity not reduced) FSO Classes 4-7 or GS-13 and below: Separation Pay at rate of one month's salary per year of service up to one year's salary; plus deferred annuity at age 60 Age 50 - 20 years service (full earned annuity - not reduced)	Generally 20 years service - no minimum age (additional refinements in age and grade retirement factors depending on service)
8. Disability Retirement			
a. Age and Service	Any age - 5 years service	Same	None
b. Minimum Annuity	Lesser of: 40% high 5-year-average salary or annuity computed by extending service to age 60.	Same	Usually 30%
c. Taxability	Under Federal income tax "Sick Pay" exclusion, first \$100 per week tax exempt until optional retirement age.	Fully tax exempt	Generally, the portion related to percentage disability is tax exempt

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9. Survivor Annuity to Widow			
a. Reduction of employee's annuity	2 $\frac{1}{2}$ % of first \$3,600 plus 10% of balance	2 $\frac{1}{2}$ % of first \$2,400 plus 10% of balance	Varies with type of retirement
b. Amount of Widow's Annuity	55% of employee's basic annuity	50% of employee's basic annuity	$\frac{1}{2}$, $\frac{1}{4}$, or $\frac{1}{8}$ of basic annuity as specified by retiree
c. Termination of widow's annuity	Death or remarriage	Death only	Death or remarriage